

For Immediate Release:



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Appalachian Underwriters, Inc. Strengthens MGA Presence Today with Acquisition of Atlanta based USAdministrators.

Clinton, TN, June 8th, 2006 – AUI has acquired the assets of USAdministrators, an MGA specializing in providing workers' compensation markets to approximately 2,000 contracted agents throughout the Southeast. This alliance expands AUI's extensive distribution network of 5,000 agents and provides an Atlanta regional office to better serve this strategic territory.

"USAdministrators is a great fit for our organization. The markets they already serve will be a welcomed addition to our long-term growth plans." said AUI President and COO Robert Arowood. Mr. Arowood added, "We're also excited to be working with such an experienced staff that shares our common philosophy of providing superior service and solutions to our agents." USAdministrators EVP, Hunter Moss, reiterated that sentiment. "Appalachian Underwriters has been a formidable competitor for years. The combined strengths of our organizations will enable us to provide enhanced products and services. We have always maintained that service is the key differentiator in our business. Furthermore, the ability for our clients to continue their existing relationships with our staff but have access to an expanded portfolio of products will benefit our valued agents. Everyone wins: our insureds, our agents and the company."

Appalachian Underwriters, Inc. is a full service MGA, providing independent agents a National wholesale outlet to multiple specialized markets for Workers' Compensation, Commercial Specialty, and Personal Lines of insurance. To learn more about Appalachian Underwriters, Inc. please visit www.appund.com .

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